

## The National Defense Authorization Act for FY 1998

Legislation transferring jurisdiction of NOSRs 1 and 3 to the DOI is contained in the provisions of Title XXXIV - Naval Petroleum Reserves - Section 3404 of the National Defense Authorization Act for FY 1998 (DAA). The DAA was signed into law On November 18, 1997, by the President and designated Public Law 105-85.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (a), Transfer Required, Chapter 641 of Title 10, United States Title Code, is amended by adding at the end of the following new section, Section 7439, Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development and production.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (a), Transfer Required, (1) Upon the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over all public domain lands included within Oil Shale Reserve Numbered 1 and those public domain lands included within the undeveloped tracts of Oil Shale Reserve Numbered 3.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (a), Transfer Required, (2) Not later than one year after the date of the enactment of this section, the Secretary of Energy shall transfer to the Secretary of Interior administrative jurisdiction over those public domain lands included within the developed tract of Oil Shale Reserve Numbered 3, which consists of approximately 6,000 acres and 24 natural gas wells, together with pipelines and associated facilities.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (a), Transfer Required, (3) Notwithstanding the transfer of jurisdiction, the Secretary of Energy shall continue to be responsible for all environmental

restoration, waste management, and environmental compliance activities that are required under Federal and State laws with respect to conditions existing on the lands at the time of transfer.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (a), Transfer Required, (4) Upon the transfer to the Secretary of the Interior of jurisdiction over public domain lands under this subsection, the other provisions of this chapter shall cease to apply with respect to the transferred lands.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (b), Authority to Lease, (1) Beginning on the date of the enactment of this section, or as soon as practicable, the Secretary of the Interior shall enter into leases with one or more private entities for the purpose of exploration for, and development and production of, petroleum (other than in the form of oil shale) located on public domain lands in the Oil Shale Reserves Numbered 1 and 3 (including the developed tract of Oil Shale Reserve Numbered 3). Any such lease shall be made in accordance with the requirements of the Mineral Leasing Act (30 U.S.C. 181 et seq.) regarding the lease of oil and gas lands and shall be subject to valid existing rights. (2) Notwithstanding the delayed transfer of the developed tract of Oil Shale Reserve Numbered 3 under subsection (a)(2), the Secretary shall enter into a lease under paragraph (1) with respect to the developed tract before the end of the one-year period beginning on the date of the enactment of this section.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (c), Management, The Secretary of the Interior, acting through the Bureau of Land Management, shall manage the lands transferred under subsection (a) in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other laws applicable to the public lands.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (d), Transfer of Existing Equipment, The lease of the lands by the Secretary of the Interior under this section may include the transfer, at fair market value, of any well, gathering line, or related equipment owned by the United States on the lands transferred under subsection (a) and suitable for use in the exploration, development, or production of petroleum on the lands.

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (e), The cost of any environmental assessment required pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) in connection with a proposed lease under this section shall be paid out of unobligated amounts for administrative expenses of the Bureau of Land Management.

Sec. 3404 Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (f), Treatment of Receipts, (1) Notwithstanding section 35 of the Mineral Leasing Act (30 U.S.C. 191), all monies received during the period specified in paragraph (2) from a lease under this section (including moneys in the form of sales, bonuses, royalties (including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.)), and rentals shall be covered into the Treasury of the United States and shall not be subject to distribution to the States pursuant to subsection (a) of such section (35). Subject to a specific authorization and appropriation for this purpose, such moneys may be used for reimbursement of environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the lands transferred under subsection (a).

Sec. 3404, Transfer of Jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3, (f), Treatment of Receipts, (2) The period referred to in this subsection is the period beginning on the date of

the enactment of this section and ending on the date on which the Secretary of Energy and the Secretary of the Interior jointly certify to Congress that the sum of moneys deposited in the Treasury under paragraph (1) is equal to the total of the following: (A) The cost of all environmental restoration, waste management, and environmental compliance activities incurred by the United States with respect to the lands transferred under subsection (a); (B) The cost to the United States to originally install wells, gathering lines, and related equipment on the transferred lands and any other cost incurred by the United States with respect to the lands.